

No. 11

March 28, 1995

S. 617 — FY 1995 Supplemental Appropriations for Disaster Assistance and Rescissions

Calendar No. 39

Reported from the Committee on Appropriations on March 24 1995, with amendments, by a vote of 27-1 (Senator Mikulski). S. Rept. 104-17.

NOTEWORTHY

- The Committee recommends appropriations of \$6.7 billion in supplemental spending for the Federal Emergency Management Agency (FEMA) for disaster relief (\$1.3 billion more than the House, but the same total amount as requested). The Committee rescinds \$13.3 billion of previously appropriated funds to offset the \$6.7 billion in new budget authority and applies the remaining \$6.6 billion in savings to deficit reduction.
- Of the \$6.7 billion for FEMA, \$1.9 billion is for FY95 and \$4.8 billion is for a new FEMA disaster relief spending fund to become available in FY96 only to the extent the President makes a specific request and designates such amount as an emergency.
- The Senate bill rescinds \$13.3 billion compared to \$1.4 billion in the President's request and \$17.2 billion approved by the House. S. 617 restores some or all of the funds that had been deleted in the House version for low income housing, the Low Income Home Energy Assistance Program (LIHEAP), the national service corps, school improvement programs, public broadcasting, and summer jobs for youth.
- The Senate bill includes language (1) to expedite timber salvage operations on federal lands, (2) to exempt Davis Bacon requirements on the proposed federal construction of the National Museum of the American Indian Cultural Center on the Mall in D.C., and (3) to ensure that EPA does not require any State to adopt a centralized inspection and maintenance program under the Clean Air Act.
- The bill does not include a provision that is in the House bill to block the President's executive order denying federal contracts to companies that hire permanent striker replacement workers.

HIGHLIGHTS

The Senate bill is substantially different from the House bill, H.R. 1158. Approved by the House on March 16, 1995, by a vote of 227-200, the House bill rescinds \$17.2 billion in prior appropriations.

Differences from the House Bill

The Senate bill rescinds \$13.3 billion, which is \$3.9 billion less than the House-passed bill. The major changes include:

- Restores \$2.2 billion of the \$6.8 billion House cuts in **housing programs**, by not recommending rescissions of \$523 million for the severely distressed public housing program (HOPE VI), \$404 million for the operating budgets of local public housing authorities, [NOTE: see the *Washington Times* article of March 27, 1995, entitled "HUD Spending Spree Heads Off GOP's Cuts."]
- Contains no elimination of funding for the **LIHEAP (Low Income Home Energy Assistance Program)**. The House eliminated the \$1.3 billion FY 1996 advance appropriation for the program.
- Restores more than \$1 billion of the House cuts to the **education budget**, including \$510 million for the school improvement program, \$177 million for student financial assistance, and over \$100 million for a schools drug and safety program.
- Cuts \$1.2 billion more in **transportation programs** than the House did. The Senate rescinds \$1.3 billion of the estimated \$2 billion unspent balance in the Federal Aviation Administration account for community airport grants, and \$250 million for the National MAGLEV prototype development program..
- Cuts \$92 million more from **energy and water program activities** than the House. For environmental cleanup, the Committee cut \$100 million for cleanup at defense nuclear facilities (the House cut \$28 million) and restored \$45 million rescinded by the House for cleanup at nondefense sites.
- Rescinds \$100 million in **foreign operations funds** (compared to the House reduction of \$191 million) but leaves the decision to the Administration as to how to allocate the cuts.

- Includes \$1.3 billion in FY 1996 advance appropriation for the Low Income Home Energy Assistance Program (LIHEAP). The House rescinded the FY 1996 advance.
- Cuts \$75 million more in treasury-postal programs than the House-passed version.
- Rescinds significantly less than the House bill in labor, education and social programs.
- Reduces funding for the national service program by \$210 million (the House cut the program by \$416 million).
- Rescinds \$35 million in unspent funds for the Special Supplemental Food Program for Women, Infants, and Children (WIC), \$10 million more than the House level.
- Freezes at the 1995 level the funding for the Corporation for Public Broadcasting for FY's 1996 and 1997. The House cut \$47 million of the \$312 million appropriated for FY 1996 (a 15 percent reduction) and cut \$94 million of the \$315 million appropriated for FY 1997 (a 30 percent reduction).
- Concurs with the House in reducing by \$5 million each the budgets of the National Endowment for the Arts and the National Endowment for the Humanities, but restores most of the money cut by the House for the National Museum of the American Indian Cultural Center.

Disaster Appropriations

FEMA's Request

The Administration requested \$6.7 billion, including \$4.9 billion for costs associated with the Northridge earthquake, \$1.1 billion for disasters in numerous states, and \$738 million for disasters projected to occur over the balance of the year.

Over the years, the number of Presidentially declared disasters has increased significantly. While there were 119 major disasters from 1985-89, there were 195 major disasters during 1990-94, an increase of 64 percent. A total of \$14.8 billion was provided for FEMA disaster relief over this period, 90 percent of which was provided through emergency supplementals. FEMA disaster spending has increased to a 10-year average annual obligation of \$1.1 billion excluding the Northridge earthquake. The Committee notes that the \$6.7 billion request represents 10 percent of the VA, HUD and Independent Agencies Subcommittee's budget allocation.

Committee's Recommendation

The Committee provides the full amount of the President's request for disaster assistance. However, it splits it into an appropriation of \$1.9 billion available upon enactment of the bill, and a \$4.8 billion contingency fund to become available in FY 1996 only to the extent the President requests a specific amount and designates such amount as an emergency requirement.

BILL PROVISIONS

Chapter I, Department of Agriculture (-\$198.2 million)

- Appropriates an additional \$9.1 million for the Food Safety and Inspection Service for salaries and expenses (same as the request and the House).
- Rescinds a total of \$198.2 million for the Senate and \$212.0 million for the House. Of the total, rescinds \$142 million from the Public Law 480 program account (-\$20 million in the House bill) whereas the largest rescission in the House bill was a \$115.5 million cut in the Farmers Home Administration sec. 515 rural housing program.

Chapter II, Departments of Commerce, Justice, and State (-\$282.5 million)

- Neither the Senate nor the House approved the request for \$672 million in additional funds for International Peacekeeping activities.
- Rescinds \$29 million for the Department of Justice, of which \$27 million is from the Office of Justice Programs drug courts.
- Cuts a total of \$148.7 million from the Department of Commerce, including \$46.6 million for the National Institute of Standards and Technology, and \$45.6 million for National Oceanic and Atmospheric Administration (NOAA) operations and research, and \$47.4 million from the Economic Development Administration.

Chapter III, Energy and Water Development (-\$331.5 million)

- Rescinds \$50 million in unobligated carryover balances for the Corps of Engineers (\$10 million more than the House).

- Rescinds \$81.5 million from the energy supply, research and development activities of the Department of Energy (\$35 million less than the House). The Committee restored \$45 million rescinded by the House for nondefense environmental cleanup.
- Rescinds \$100 million from environmental cleanup at defense nuclear sites (\$72 million more than the House).

Chapter IV, Foreign Operations (-\$100 million)

- Rescinds \$100 million from unobligated and unearmarked balances in the FY's 1994 and 1995 appropriations bills, leaving it to the Administration to decide how to allocate the cuts. The House rescinded \$191.6 million.

Chapter V, Department of Interior and Related Agencies (-\$274.9 million)

- For the Department of Interior, rescinds a total of \$139.7 million, including \$20.1 million from U.S. Fish and Wildlife Service, \$44.7 million for the National Park Service, \$22.8 million for the Bureau of Indian Affairs, and \$35 million for territorial and international affairs.
- For the Forest Service, rescinds \$26.1 million.
- For the Department of Energy, rescinds \$48.6 million in energy conservation and \$21 million in fossil energy research.
- For other related agencies, rescinds \$5 million each for the National Endowment for the Humanities and the National Endowment for the Arts, as well as \$12.2 million for the Smithsonian Institution.

Chapter VI, Departments of Labor, Health and Human Services, and Education (-\$3.05 billion)

- For the Department of Labor, rescinds a total of \$1.6 billion compared to the House rescission of \$2.4 billion. The Senate rescission cuts \$1.5 billion for Training and Employment Services (\$762.9 million less than the House), including \$472 million for youth job training and \$871.5 million from the FY 1996 funds for summer youth jobs. The House also rescinded \$867 million in FY 1995 funds for summer youth jobs.
- From the Department of Health and Human Services, rescinds a total of \$669.5 million compared to the House rescission of \$1.7 billion, including:
 - \$330 million from the Job Opportunities and Basic Skills Program (JOBS) for which there was no budget request;

- \$79 million from the National Institutes of Health for intramural construction projects which are no longer deemed necessary;
 - For the Social Security Administration, a reduction of \$67 million in the supplemental security income program and \$88 million from the automation investment fund; and
 - Does not concur in the House rescission of a \$1.3 billion FY96 advance for the Low Income Home Energy Assistance Program (LIHEAP) and \$150 million for payments to states for foster care and adoption assistance.
- From the Department of Education, the Senate bill rescinds \$609.3 million compared to the House rescission of \$1.6 billion, including:
 - \$236.4 million from school improvement programs (the House rescinded \$747 million for these programs);
 - \$82.6 million from education reform (House, -\$186 million);
 - \$80.4 million from education for the disadvantaged (House, -\$148.6 million);
 - \$60.6 million from vocational and adult education (House, -\$119.5 million); and
 - \$95 million from Federal direct student loans (House, -\$47 million).
 - From the Corporation for Public Broadcasting, rescinds \$26.4 million from FY 1996 funds (\$20.6 million below the House level) and rescinds \$29.4 million for FY 1997 (\$64.6 million below the House level).

Chapter VII, Legislative Branch (-\$25.8 million)

- Rescinds \$8.9 million from the General Accounting Office, \$7 million from the Botanic Gardens, \$5 million from the Government Printing Office, and \$2.5 million from the Architect of the Capitol.

Chapter VIII, Department of Defense, Military (-\$230.8 million)

- Rescinds \$230.8 million from Military Construction Appropriations Act for FY 1995, including \$104.2 million from the base realignment and closure accounts and \$69 million from the NATO infrastructure account. The House did not rescind any of these funds.

Chapter IX, Department of Transportation (-\$1.7 billion)

- Rescinds \$1.3 billion of the estimated \$2 billion unspent balance in the Federal Aviation account for community airport grants (no such rescission in the House bill) and concurs with the House in rescinding \$7.5 million in unobligated balances from the FAA's research, engineering and development account.
- From the Federal Railroad Administration, rescinds \$250 million for the National Magnetic Levitation Prototype Development Program (not rescinded by the House).
- Rescinds \$77.7 million in unobligated balances from the Federal Highway Administration's (FHWA) Federal-aid highways obligation limitation. The Administration requested a rescission of \$356.2 million from this account and the House rescinded \$27.6 million.
- Cuts \$50 million in unobligated balances from the FHWA's emergency relief program, compared to the House's rescission of \$351 million.

Chapter X, Treasury, Postal Service, and General Government (-\$247.6 million)

- Rescinds \$241 million from specific projects in the General Services Administration's federal buildings fund (see Committee Report, page 103).

Chapter XI, Veterans Affairs, and House and Urban Development (-\$6.8 billion)

- Rescinds \$4.5 billion from assisted housing, compared to \$5.7 billion in the House bill.
- Restores funding rescinded by the House for various housing programs, including \$404 million for operation of housing projects, \$523 million for severely distressed public housing, and \$349.2 million for community development grants.
- Rescinds \$210 million from the national service initiative. The House rescinded \$416 million.
- Rescinds \$1.2 billion from the Environmental Protection Agency's water infrastructure/state revolving funds and rescinds \$100 million from Superfund.
- Cuts \$150 million from National Aeronautics and Space Administration.

COST

Budgetary Impact

All funds provided in this bill are either offset or are within the remaining limits of the Committee's allocations.

Five-Year Projection of Outlays

Five-year projections associated with the budget authority provided in the accompanying bill are as follows: Budget authority: FY 1995: -\$11.25 billion; Outlays: FY 1995: -\$818 million; FY 1996: -\$2.92 billion; FY 1997: -\$374 million; FY 1998: \$77 million; FY 1999 and future years: -\$435 million.

Assistance To State And Local Governments

The financial assistance to State and local governments is as follows: New budget authority: -\$8.38 billion; FY 1995 outlays: -\$252 million.

POSSIBLE AMENDMENTS

Feinstein. Dealing with State Legalization Impact-Assistance Grants (SLIAG)

Feinstein. Dealing with immigrant education.

Mikulski. Across-the-board reduction to pay for FEMA appropriations.

Harkin. Dealing with defense cuts.

Kerrey. Rescind additional funds for GSA's federal building fund.

Staff Contact: Judy Myers, 224-2946

**Comparative Statement of New Budget (Obligational) Authority Estimates and
Rescission Amounts Recommended in the Bill**
(in millions of dollars)

Department or Activity	Supplemental Request	House Allowance	Senate Cmte. Recommendation	Senate Cmte. Recommend. Compared with (+ or -)				
				Supplemental Estimates	House Allowance			
TITLE I:								
Chapter I - Department of Agriculture, Rural Development, FDA								
Appropriations	9.08	19.05	9.08	---	-9.97			
Rescissions	-145.40	-212.00	-198.24	-52.84	+13.77			
(By transfer)	---	---	2.22	+2.22	+2.22			
Total, (new BA)	-136.32	-192.96	-189.16	-52.84	+3.80			
Chapter II - Departments of Commerce, Justice, State, and Judiciary								
Emergency appropriations	672.00	---	---	-672.00	---			
Appropriations	7.29	7.29	7.29	---	---			
Rescissions	-15.00	-270.80	-282.50	-267.50	-11.70			
(By transfer)	1.50	---	1.50	---	+1.50			
Total, (new BA)	664.29	-263.51	-275.21	-939.50	-11.70			
Chapter III - Energy and Water Development								
Rescissions	---	-239.50	-331.50	-331.50	-92.00			
Total, (rescissions)	---	-239.50	-331.50	-331.50	-92.00			
Chapter IV - Foreign Operations, Export Financing								
Appropriations	402.50	50.00	---	-402.50	-50.00			
Rescissions	---	-191.58	-100.00	-100.00	+91.58			
Total, (new BA)	402.50	-141.58	-100.00	-502.50	+41.58			
Chapter V - Department of Interior								
Appropriations	6.80	---	---	-6.80	---			
Rescissions	---	-328.75	-274.86	-274.86	+53.90			
Total, (new BA)	6.80	-328.75	-274.86	-281.66	+53.90			

Department or Activity	Supplemental Estimates	House Allowance	Senate Cmte. Recommendation	Senate Cmte. Recommend. Compared with (+ or -)	
				Supplemental Estimates	House Allowance
Chapter VI - Departments of Labor, HHS and Education					
Rescissions	-177.90	-5,896.40	-3,050.00	-2,872.10	+2,846.40
Total, (rescissions)	-177.90	-5,896.40	-3,050.00	-2,872.10	+2,846.40
Chapter VII - Legislative Branch					
Appropriations	---	0.13	0.13	+0.13	---
Rescissions	---	-20.93	-25.75	-25.75	-4.82
(by transfer)	---	3.00	---	---	-3.00
Total, (new BA)	---	-20.80	-25.62	-25.62	-4.82
Chapter VIII - Department of Defense Military Construction					
Emergency appropriations	18.00	---	---	-18.00	---
Rescissions	---	---	-230.83	-230.83	-230.83
Total, (new BA)	18.00	---	-230.83	-248.83	-230.83
Chapter IX - Department of Transportation					
Emergency appropriations	28.30	28.20	---	-28.30	-28.20
Rescissions	-407.68	-526.70	-1,725.82	-1,318.14	-1,199.12
(limitations on obligations)	---	-201.80	-208.53	-208.53	-6.74
(by transfer)	0.61	0.61	0.61	---	---
Total, (new BA)	-379.38	-498.50	-1,725.82	-1,346.44	-1,227.32
Chapter X - Treasury, Postal Service, and Independent Agencies					
Appropriations	9.00	9.00	9.00	---	---
Rescissions	---	-172.21	-247.57	-247.57	-75.36
(by transfer)	---	---	13.20	+13.20	+13.20
Total, (new BA)	9.00	-163.21	-238.57	-247.57	-75.36
Chapter XI - Departments of Veterans Affairs, HUD, and Independent Agencies					
Emergency appropriations	6,700.00	5,360.00	6,700.00	---	+1,340.00
Appropriations	---	---	---	---	---
Rescissions	-648.21	-9,329.00	-6,819.32	-6,171.12	+2,509.68
(by transfer)	5.33	---	5.33	---	+5.33
Deferrals	---	297.00	465.00	+465.00	+168.00
Total, (new BA)	6,051.79	-3,969.00	-119.32	-6,171.12	+3,849.68
Total Title I:					
Emergency appropriations	7,418.30	5,388.20	6,700.00	-718.30	+1,311.80
Appropriations	434.67	85.47	25.51	-409.17	-59.97
Rescissions	-1,394.19	-17,187.86	-13,286.39	-11,892.21	+3,901.47
Total, (new BA)	6,458.78	-11,714.19	-6,560.88	-13,019.68	+5,153.30

Department or Activity	Supplemental Estimates	House Allowance	Senate Cmte. Recommendation	Senate Cmte. Recommend. Compared with (+ or -)	
				Supplemental Estimates	House Allowance
Title II: General Provisions					
Emergency 2-year timber salvage, Forest Service/BLM					
Salvage costs/payments	---	47.33	47.33	+47.33	---
Receipts	---	-84.00	-84.00	-84.00	---
Total, (new BA)	---	-36.68	-36.68	-36.68	---
Total Title II:	---	-36.68	-36.68	-36.68	---
GRAND TOTAL:					
New budget authority	6,458.78	-11,750.87	-6,597.56	-13,056.35	+5,153.30
Emergency appropriations	6,700.00	5,360.00	6,700.00	---	+1,340.00
Appropriations	434.67	48.80	-11.17	-445.84	-59.97
Rescissions	-1,394.19	-17,187.86	-13,286.39	-11,892.21	+3,901.47
(by transfer)	7.44	3.61	22.86	+15.42	+19.25
Deferrals	---	297.00	465.00	+465.00	+168.00

FY 1995 SUPPLEMENTAL / RESCISSION PACKAGES

	CLINTON	HOUSE	SENATE
Emergency Supplementals	7,418.297	5,388.197	6,700.000
Regular Supplementals	434.672	85.472	25.506
Rescissions	(1,394.187)	(17,187.862)	(13,286.394)
Net Receipts	0.000	(36.675)	(36.675)
<u>Obligation Limitations</u>	<u>0.000</u>	<u>(201.791)</u>	<u>(208.533)</u>
NET DISCRETIONARY IMPACT	6,458.782	(11,952.659)	(6,806.096)

Budget authority in millions.

Source: Senate Report 104-17

DEFICIT IMPACT OF FY 1995 SUPPLEMENTAL / RESCISSION PACKAGES

		1995	1996	1997	1998	1999	TOTAL
H.R. 1158 / H.R. 1159 (as reported)	BA	(11.949)	0.000	0.000	0.000	0.000	(11.949)
	OUT	(1.549)	(5.747)	(1.420)	(0.250)	(2.643)	(11.609)
S. 617 (as reported)	BA	(11.250)	0.000	0.000	0.000	0.000	(11.250)
	OUT	(0.818)	(2.919)	(0.374)	0.077	(0.435)	(4.469)
SENATE COMPARED TO HOUSE	BA	0.699	0.000	0.000	0.000	0.000	0.699
	OUT	0.731	2.828	1.046	0.327	2.208	7.140